



Training Proposal for:
Omni Hotels Management Corporation dba Omni La Costa
Resort and Spa, LLC
Agreement Number: ET15-0207

Panel Meeting of: July 25, 2014

ETP Regional Office: San Diego **Analyst:** K. Campion

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative	Industry Sector(s):	Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	San Diego	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No San Diego County Hotel and Food Service Workers' Union, UNITE HERE, Local 30; Teamsters, Chauffeurs, Warehousemen and Helpers, Local 542;		
Number of Employees in:	CA: 5,000	U.S.: 23,500	Worldwide: 35,000
Turnover Rate:	18%		
Managers/Supervisors: (% of total trainees)	8%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$420,800		\$0	\$0		\$420,800

In-Kind Contribution:	100% of Total ETP Funding Required	\$447,000
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills, Computer Skills, Cont. Improv.	770	8 - 200	0	\$480	\$15.60
				Weighted Avg: 32			
2	Retrainee Job Creation Initiative	Business Skills, Computer Skills, Cont. Improv.	32	8 - 200	0	\$1,600	\$13.00
				Weighted Avg: 80			

Minimum Wage by County: Job Number 1: \$15.60 per hour for San Diego County;

Job Number 2 (Job Creation Wage): \$13.00 per hour for San Diego County

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Up to \$4.25 per hour in health benefits may be used to meet the Post-Retention Wage for Job Numbers 1 & 2. Additionally, if necessary, Food and Beverage/Banquet Staff may also use Mandatory Service Charges (banquet tips) of up to \$4.50 per hour to meet the Post-Retention Wage.

It will be made a condition of contract that the trainees in Job Number 2 will never be paid less than the statewide minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in the table below.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1 - RETRAINEE		
Administrative Staff		55
Culinary Staff		50
Guest Services		60
Engineer		35
Food & Beverage / Banquet Staff		160
Housekeeping Staff		190
Maintenance Staff		60
General Support Staff		95
Supervisor / Manager		65
JOB NUMBER 2 – RETRAINEE JOB CREATION		
Administrative Staff		4
Culinary Staff		2

Guest Services		4
Engineer		2
Food & Beverage / Banquet Staff		6
Housekeeping Staff		4
Maintenance Staff		4
General Support Staff		2
Supervisor / Manager		4

INTRODUCTION

Omni Hotels Management Corporation dba Omni La Costa Resort and Spa, LLC (Omni La Costa) (www.lacosta.com) is a historic golf resort and spa located on 400 acres in Carlsbad. It provides luxury accommodations, resort golf courses, and convention/conference resources to corporate businesses and upscale worldwide leisure travelers. The resort includes 611 guest rooms and suites, several restaurants, two 18-hole golf courses, seventeen tennis courts, pools, and a world-renowned Spa that was honored as the #1 Wellness Spa in the nation by Spa Magazine. It also features approximately 110,000 square feet of flexible indoor and outdoor meeting and banquet space for weddings, special occasions and meetings. Omni La Costa employs 1,100 full-time workers of whom 802 are included in this proposal. This will be the first Agreement between Omni La Costa and ETP.

Originally built in 1964, the resort was purchased from KSL Capital Partners in July 2013. This change in ownership has brought several new changes to the resort. First, Omni needs to convert the computer systems and operating procedures from the KSL approach to the Omni method of doing business. To that end, the Company has invested more than \$500,000 in new computer hardware and software that will interface with the worldwide Omni computer system, which requires training for staff.

Coupled with the computer system conversion, the resort must shift workers' customer service guest approach to "the Omni way." Resort management believes that the shift to the Omni approach will improve the culture of the resort, improve its guest satisfaction scores, and build effective teams, all of which are targeted to drive sales. To reach these goals, the hotel will implement a comprehensive company-wide training program which includes a new training culture not seen previously; improve the quality of service that will, in turn, improve its business outlook.

Retrainee - Job Creation

In support of Job Creation, the Panel is offering incentives to companies that commit to hiring new employees (higher reimbursement rate and a lower post-retention wage). Trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

Omni La Costa needs a larger workforce due to the expansion of jobs as a result of new computers and systems. Additionally, to ensure all workers meet its customer service and guest culture initiatives, the Hotel plans to hire additional staff to insure the continuity of the improved guest services across the organization. The Company is committed to hiring at least 32 full-time staff during the term of the proposed Agreement (Job Number 2).

Training Plan

Job Number 1 retrainees (incumbents) will receive an average of 32 hours of training per person across all types of training. Newly-hired trainees (Job Number 2) will be required to learn the entire new Omni computer system, and will also receive a substantial number of Business Skills and Continuous Improvement training courses in new customer service requirements. As a result, these trainees are projected to receive an average of 50 hours of Business Skills, 20 hours of Computer Skills and 10 hours of Continuous Improvement for a total of 80 hours per person. To reach these goals, each Job 2 trainee will receive approximately 5 – 10 hours of training per week for the first 8 – 16 weeks of employment.

All training in this proposal will be delivered via class/lab in the following types of training:

Business Skills (55%): This training will be provided to Administrative Staff, Culinary Staff, Guest Services, Food and Beverage/Banquet Staff, Housekeeping Staff, General Support Staff, and Supervisor/Managers. Omni is implementing new customer service training programs. These trainees will learn “the Omni way” to identify and meet/exceed guest needs and how to provide superior guest service. Housekeeping Staff will be trained in “The Power of One,” which is a customer service approach that helps staff resolve guest problems by using critical thinking techniques. This training is projected to increase customer satisfaction resulting in increased sales.

Computer Skills (25%): This training will be provided to Administrative Staff, Guest Services, Food and Beverage/Banquet Staff, General Support Staff, and Supervisors/Managers. Trainees will be trained in the new Omni computer system and will learn new application skills for customizing the guest experience through the computer, tablets and smartphones. This will enable workers to participate in the personalization of the guest experience.

Continuous Improvement (20%): This training will be provided to Administrative Staff, Culinary Staff, Guest Services, Engineers, Food and Beverage/Banquet Staff, Housekeeping Staff, Maintenance Staff and Supervisors/Managers. This training will provide skills for staff to learn to work in teams to improve communication. Trainees will learn how quality affects service.

Union Support

The San Diego County Hotel and Food Service Workers’ Union, UNITE HERE, Local 30, represents the following occupations: Food and Beverage/Banquet Staff, Guest Services, Front Office (Administrative Staff) Housekeeping, Kitchen (Culinary Staff) and Maintenance Staff; and The Teamsters, Chauffeurs, Warehousemen and Helpers, Local No. 542, represents Spa & Athletic Staff (Guest Services).

Omni La Costa has procured union support letters from both unions in support of this proposal.

Full-Time Employment Modification

Title 22, CCR, section 4400(h)(5) states in part that full-time employment means employment of at least 35 hours a week. Upon a finding of good cause, the Panel may find that less than 35 hours a week constitutes full time employment, if the hours are considered full-time employment for purposes of a collective bargaining agreement. Omni La Costa requests a modification for full-time employment at 30 or more hours a week.

Omni La Costa reports that the bargaining agreements with each union (see above) specify that full-time employment is considered 30 hours or more per week, and employees who work at least 30 hours or more per week are designated as full-time staff and receive full time benefits. According to company representatives, this stipulation is laid out in the Company employee handbook which is a legally binding document between the union and the Hotel, and references the actual bargaining agreement. Therefore, the Hotel requests that the Panel consider full time employment to be 30 hours or more per week.

Commitment to Training

The Company's current training budget is approximately \$110,000 per year and covers topics such as new hire orientation, OSHA-mandated training, sexual harassment prevention training, first aid, and on-the-job training. All safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Omni La Costa reports that the proposed training is new and has not been conducted in the past. The support of ETP funded training will allow the Company to have more employees trained on new products and services, which is projected to result in increased sales and better customer service.

This project will be overseen by the Resort Manager with assistance from the HR Department. Omni La Costa will use a subcontractor to assist with ETP project administration.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Omni La Costa retained National Training Company, Inc. (NTC) in Irvine to assist with development of this proposal for a flat fee of \$15,000.

ADMINISTRATIVE SERVICES

Omni La Costa also retained NTC to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Processes
- Dealing With Difficult People
- Guest Service Skills
- Hospitality & Communication Skills
- Identifying/Meeting Guest Needs
- Communication & Interpersonal Skills
- Negotiating Skills
- Omni Operating Procedures
- Putting the Guest First
- Resolving Guest Complaints
- Service Values
- The Power of One

COMPUTER SKILLS

- Omni Computer Application Skills
- Accounting Skills
- Birch Street Procurement Software
- Customer Information Systems
- Internal Customer Applications
- MS Office (Intermediate and Advanced)
- Point of Sale Applications
- Reservation Systems
- Sales Reports & Scheduling Software
- Smartphone Technology and Application Skills
- Tablet Technology and Application Skills

CONTINUOUS IMPROVEMENT

- Critical Thinking Skills
- Kaizen Events
- Measuring for Success
- Problem Solving and Resolution
- Standard Work Procedures
- Team Building Skills

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.

LOCAL 30
UNITE HERE!
San Diego County Hotel and Food Service Workers' Union

Affiliated with...

AFL-CIO
San Diego and Imperial Counties Labor Council
State Federation of Labor
State Culinary Alliance
Union Label & Service Trades Council

May 20, 2014

Employment Training Panel
1100 J Street
4th Floor
Sacramento, CA 95814

Re: Omni La Costa Resort & Spa. Employment Training Panel - Ref: 14-0479

The **UNITE HERE Local 30** supports the proposed Employment Training Panel (ETP) Omni La Costa Resort & Spa project.

The Union understands that the ETP training program will provide various types of training to: Front Office, Banquet, Food and Beverage, Guest Services Housekeeping, Kitchen, and Maintenance staff.

Sincerely,



Brigette Browning
Union President
Local 30



**TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN AND HELPERS
LOCAL UNION No. 542**

San Diego and Imperial Counties, California
and the City of Yuma, Arizona

Affiliated with
INTERNATIONAL BROTHERHOOD OF TEAMSTERS



Jaine Vasquez
Secretary-Treasurer

Phillip Farias
President

Cliff Cunningham
Vice-President

Betsy Moreno
Recording Secretary

Ivan Murillo
Trustee

Jim Maclean
Trustee

Don Mack
Trustee

May 20, 2014

Employment Training Panel
1100 J Street
4th Floor
Sacramento, CA 95814

Re: Omni La Costa Resort & Spa. Employment Training Panel - Ref: 14-0479

The Teamsters Local 542 supports the proposed Employment Training Panel (ETP) Omni La Costa Resort & spa project.

The Union understands that the ETP training program will provide various types of training to: Spa and Athletic staff.

Sincerely,

Shelly Allsup
Business Agent
Teamsters Local 542